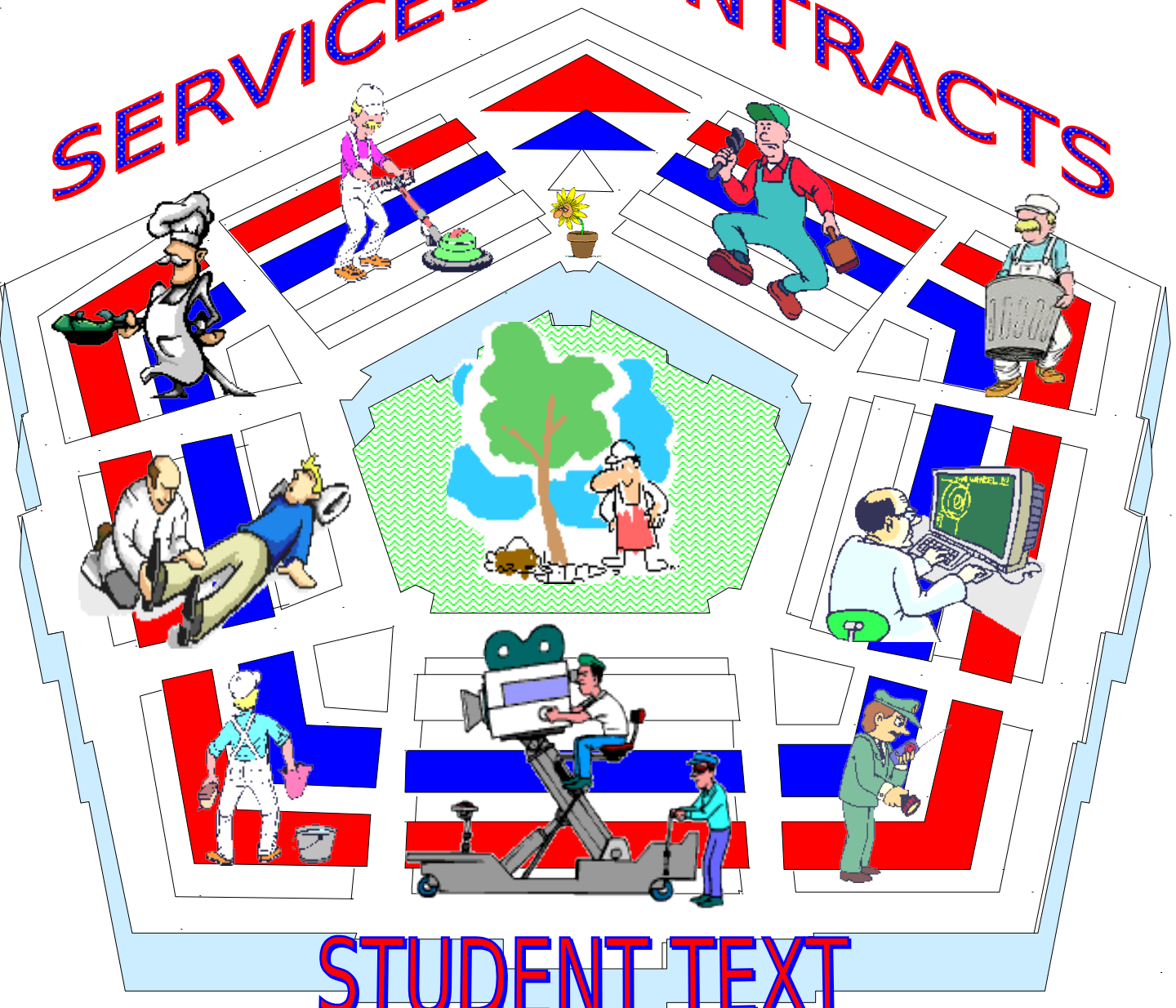
COR TRAINING FOR SERVICES CONTRACTS



STUDENT TEXT

for Online Segment 1

"Basic Acquisition Principles"

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COR Student Course Enrollment

1. This course is the first of 3 available COR courses. It is a prerequisite to Segment 2 for Services (on-site). As stated in UR 715-3, successful completion of both segments are a mandatory requirement to be certified to be a COR for services contracts in U. S. Army Europe.

2. To be certified to be a COR for Construction contracts, students must have successfully completed both of the services segment
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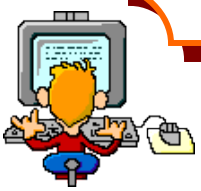

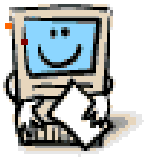

Course Dates:
Enrollment_____Start_____Completion_____
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Rank/Grade_____

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Are you now, or will you be a C (Yes) (No) or a QAR?
(Yes) (No)

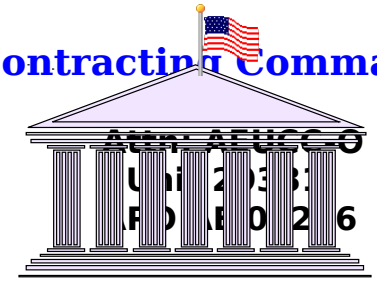
Preface

Welcome to the Contracting Officer's Representative (COR) Training Course Segment I – Basic Acquisition Principles, (a prerequisite to Segment II - On-Site).
This student training guide and other training materials for the COR Training Program have been prepared for the use by U. S. Army Contracting Command, Europe (USACCE) to train individuals who will function as members of the contract administration team, as technical advisors to the Contracting Officer. It has borrowed from other training materials to some extent, and is based on the writer's training exposure and experiences.

It is prepared for general use by students, but should not be considered a complete or comprehensive coverage of the subject. It must be supplemented by current, precise and demonstrative instruction. This textbook should assist students to achieve comprehension of the instructional elements. However, It must be recognized that effective learning is as much controlled by student interest and participation as by this written lesson material.

A major, U. S. Government-wide long-term reinvention of U. S. Government Acquisition Process is ongoing. As changes occur, it will be necessary to supplement this text with additional handouts and updates to provide students with the very latest changes in the laws, regulatory guidance and policies on this subject.

U. S. Army Contracting Command, Europe (USACCE)



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Introduction

This course is intended for individuals who will function as the Contracting Officer's technical adviser and support during contract performance. The course is primarily directed toward services contract surveillance, but much of the guidance, concepts and material covered is also applicable to construction. As such, it is a U. S. Army Europe required training course for CORs for both services and construction.

1. PURPOSE

a. to provide a general overview of the acquisition process and the COR's role as a member of the acquisition team;

b. to introduce some of the main issues and challenges COR's encounter;
to provide guidance for performing COR's duties and documentation required;

c. to familiarize students with reference materials and the acquisition organization;

d. to outline delegation of contractual authority and the limits on CORs CORs and other members of the requiring organization;

e. to encourage recommendations for continual process improvement; and

f. to prepare students for the inevitable changes and challenges still to come.

2. POINTS TO REMEMBER

a. This course material does not substitute for any laws, the Federal Acquisition Regulation (FAR) or any applicable DoD or Army regulations, directives and regulations.

b. This course is introductory in nature. It is not a comprehensive treatment of all issues related to the CORs role. In the time allotted for this course, it is not practicable to provide fully comprehensive training in the acquisition process. It will however, give a solid base on which to build acquisition knowledge, and to fulfill CORs. Duties.

c. Students are required to attend periodic additional supplemental training sessions after completion of this course. Such supplemental training will provide updates in acquisition changes, refresh you on the basics, and acquaint you with systemic issues/problems and solutions. This supplemental training is required every two years from date of completion of segment 2 (In class) of this course.

d. As you go through this course material, if you encounter

TIPS

HOW TO USE THIS TEXT and Other Course Materials

a. At this point it would be a good idea for you to review the Table of Contents to acquaint yourself with the topics covered in this online segment of the COR Training course. The first page of each chapter provides a general summary of its contents.

b. In studying the course materials you should:

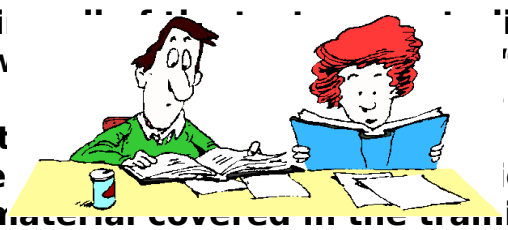
(1) Read each chapter in the text. In class discussions, the instructor in Segment 2 will assist you with any questions you may still have on any subject covered in on-line Segment 1.

(2) Additional reference information may be identified in the text coverage which can be activated from the text discussion. This is enhancing information further expanding the text discussion or reinforcing text material through actual case experiences. Students select any they want to review upon reaching the activator indicators in the text. These are subject specific, and generally should be read/reviewed when they are identified as they will pertain to the specific subject matter under discussion.

(3) Next read case criteria of relevant case studies identified in each chapter and decide the most appropriate actions that should be taken, (in your judgment) and/or answer any questions asked after the case description, documenting rationale of your decisions for later class discussions in Segment 2 of this course, (the in class follow-on segment to this basic segment.)

(4) Complete the quiz at the end of each chapter of the text. These are "open-book" quizzes, so feel free to refer back to the text information when answering the questions. If you answer a question incorrectly, you will be referred back to the section of the text that discusses that subject. Review the information again then answer the question again. When you have successfully answered all of the questions in each quiz, you will gain entrance to the next chapter.

(5) After completi ies and quizzes, you w "Final Examination" to evaluate your' performance and understanding of t provided. The ons will be drawn from all of ning text. The examination will be multiple choice,



PART I - Chapter 1

BASIC ACQUISITION PRINCIPLES & LEGALITIES

INTRODUCTION

1. **The basic contracting regulations for all of the United States Federal Government agencies are set forth in the Federal Acquisition Regulation (FAR). These regulations interpret the laws governing acquisition and provide policies and procedures for performing acquisition. The FAR is government-wide guidance on performing acquisition throughout the government. It does not address the agency-unique missions.**

2. **Each government agency has duties, responsibilities and missions thatare unique to that specific agency's mission (usually identifiable by the agency name). Understandably, the unique mission of the Department of Defense (DoD) is the responsibility and accountability for defense and related matters.**

3. **The FAR was established to codify uniform policies for acquisition of supplies and services by executive agencies. It is issued and maintained jointly, pursuant to the Office of Procurement Policy (OFPP) Reauthorization Act, under the statutory authorities granted to the Secretary of Defense, Administrator of General Services and the Administrator, National Aeronautics and Space Administration. Statutory authorities to issue and revise the FAR have been delegated to the Procurement Executives in DoD, GSA and NASA. The official FAR appears in the Code of Federal Regulations at 48 CFR Chapter 1.**

4. **U. S. Government agencies have authority to augment or supplement the FAR to provide more in-depth regulatory guidance and directives on agency unique missions, where the FAR does not address the subject to the depth and degree necessary to accomplish missions. Supplemental regulations unique to DoD, and in addition to what is stated in the FAR are provided in the Defense Federal Acquisition Regulation (FAR) Supplement (DFARS). FAR Subpart 1.3 AGENCY ACQUISITION REGULATIONS provides that :**

   a. "…an agency head may issue or authorize the issuance of agency acquisition regulations that implement or supplement the FAR and incorporate, together with the FAR, agency policies, procedures, contract clauses, solicitation provisions, and forms that govern the contracting process or otherwise control the relationship between the agency, including any of its suborganizations, and contractors or prospective contractors…"

d. LIMITATIONS: "…Agency acquisition regulations shall be limited to-

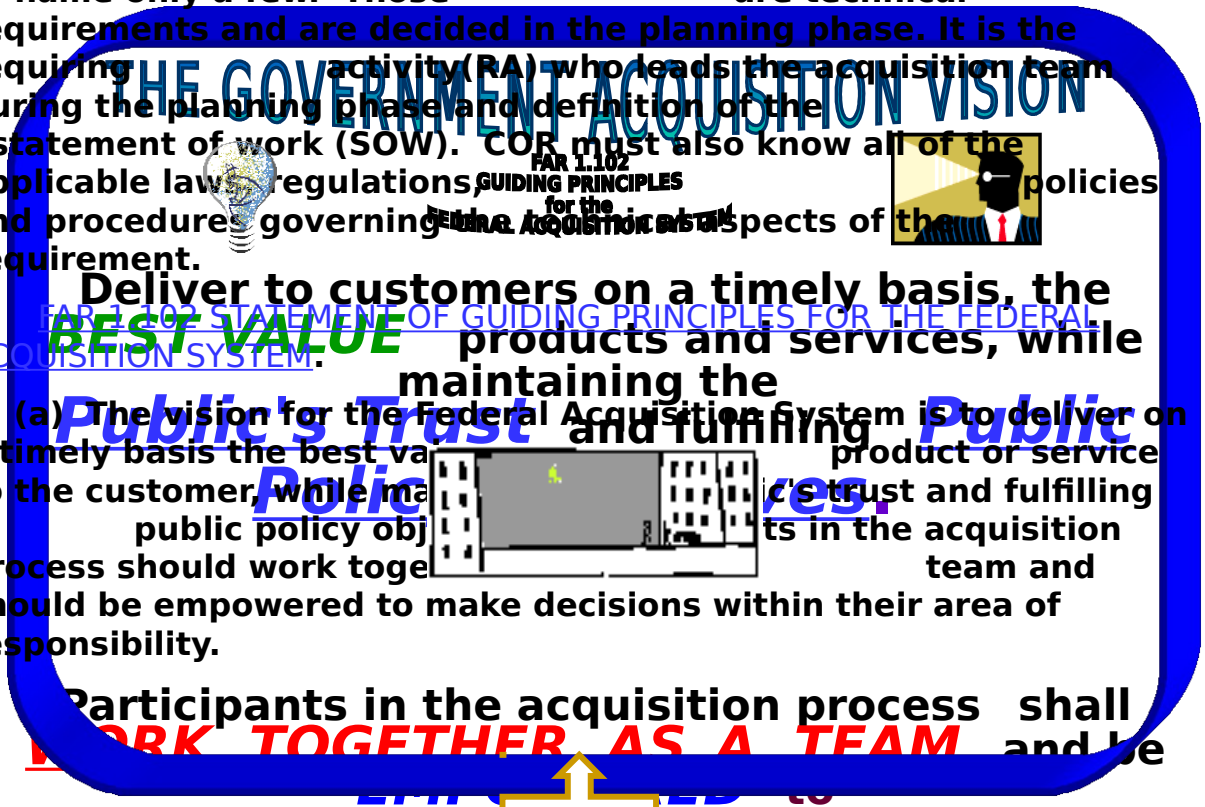
(1) Those necessary to implement FAR policies and procedures within the agency; and

(2) Additional policies, procedures, solicitation provisions, or contract clauses that supplement the FAR to satisfy the specific needs of the agency."

5. DoD subsequently delegated authority to supplement the FAR and the DFARS to each military service under DoD. Accordingly, the Army FAR Supplement (AFARS) provides additional, more Army mission specific guidance. The authority to supplement the FAR has been delegated down to the major commands level. USAREUR is a major command. Hence, the U. S. Army Europe regulations address unique requirements of contracting in Europe, and local mission definition.

6. Other agencies also issue supplements. The major issues are addressed in the FAR, and the supplements provide more specific guidance.

7. To be a successful COR, you must be aware of aspects of not only the FAR, DFARS, AFARS, and the major commands supplemental regulations, you may also, have to be aware of other agencies laws, regulations and guidance with regard to their unique missions, i.e.: transportation, education, energy, environment, communications, to name only a few. Those are technical requirements and are decided in the planning phase. It is the requiring activity(RA) who leads the acquisition team during the planning phase and definition of the statement of work (SOW). COR must also know all of the applicable laws, regulations, policies and procedures governing the technical aspects of the requirement.



8. FAR 1.102 STATEMENT OF GUIDING PRINCIPLES FOR THE FEDERAL ACQUISITION SYSTEM.

(a) The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.

Deliver to customers on a timely basis, the products and services, while maintaining the and fulfilling

Participants in the acquisition process shall and be to make decisions in their areas of

FIGURE 1

9. OVERVIEW OF THE REGULATIONS

REFERENCES

FEDERAL ACQUISITION REGULATION (FAR)
The FAR applies to all acquisition throughout the U. S. Government. FAR may be supplemented by the various U. S. Government agencies to further define their agency peculiar guidance.

THE DEPARTMENT OF DEFENSE SUPPLEMENT (DFARS)
The DFARS addresses DoD guidance covering defense u issues.

THE DEPARTMENT OF THE ARMY SUPPLEMENT (AFARS)
The AFARS addresses the Army guidance covering A unique issues.

U. S. ARMY EUROPE ACQUISITION INSTRUCTION (UAI)
Guidance and Instructions for Doing Contracting in U.S. Army, Europe.

U. S. ARMY EUROPE REGULATION AER 715-2
Addresses buying in accordance with the Supply System on U. S. Army Europe **unique issues.**

U. S. ARMY EUROPE REGULATION AER 715-3, **Selection, Training, Testing & Appointment of CORS**
The AER 715-3 and U.S. Army, Europe Pamphlet AEP 715-3 are COR specific guidance. The content of these regulations, and the laws, concepts, policies and princ n which they are based, form the foundation for this cours

FIGURE 2

All references are available online under respective organizations, USACCE internet site, or Contracting Offices. They may be ordered from U. S. Government Printing Office, and commercial sources.

a. The FAR is the primary instruction governing all U. S. Government acquisitions. It consists of procurement policies and many detailed procedural and administrative requirements that apply to all procurements by Federal Executive Agencies. The DFARS, AFARS, and U. S. Army Europe Regulations (AER) local supplements, on the other hand, contain instructions for implementing the FAR within DoD, the Army and U. S. Army Europe. None of these is a stand-alone document. They shall be used in conjunction with the FAR and other higher level supplements.

b. The FAR is divided into 53 parts, each part defines a separate aspect of acquisition. The first six parts address acquisition planning, including the acquisition of commercial Items. Part 13 contains simplified acquisition procedures for transactions $100,000. Or less. The $100,000. is the statutory simplified acquisition threshold. Parts 14 and 15 address procedures for larger contracts, in excess of $100,000. Other parts discuss such areas as labor laws, contract cost principles, contract administration, standard

10. MAJOR DIFFERENCES BETWEEN COMMERCIAL & GOVERNMENT PRACTICES

Doing business in the private sector is in some ways similar to doing business with the U. S. Government, but government contracting also has some unique aspects that you need to know, as they do, often significantly influence the overall acquisition process.

a. the U. S. Government conducts business through authorized agents called "Contracting Officers". You may be interacting with more than one type of Contracting Officer (CO).

b. The U. S. Government, publicly competes most contract awards among all interested and qualified businesses with good past performance records. But, certain statutory programs incumbent upon its acquisition process for accomplishment. Compliance with these statutes may effect the competitive process.

c. Other laws require contracts be awarded to certain contractors, or prohibit award to others. FAR 8.602 Policy, mandates that government agencies purchase required supplies and services made in or performed by Federal Penal and Correctional Institutions (FPI) at prices not to exceed current market prices. Government agencies are encouraged to use the facilities of FPI to the maximum extent practicable. FAR 8.603 Purchase priorities, sets out the rules when FPI and nonprofit agencies participating in the Javits-Wagner-O'Day (JWOD) Program produce or perform identical supplies or services. Examples are:

(1) Mandatory sources of supply or performance;
(2) Small Business Preferences;
(3) Small Business Set-asides;
(4) Small and Disadvantaged Business Program (8a);
(5) "Buy America Act"; and others.

d. the U. S. Government has the *unilateral right* to revise contracts for certain kinds of changes as listed in, and authorized by in the Changes clause of the contract. Accordingly, the contractor can file a claim for an "equitable [illegible] in price and/or delivery times [illegible] from such revisions.

e. The U. S. Government [illegible] and work surveillance rights under the

11. BASIC CONTRACT IDEA

a. The four underlying ideas upon which U. S. Government acquisition process is based are:

(1) To ensure all interested businesses get an equal opportunity to compete, fully and openly, for contract awards, and to ensure the U. S. Government acquires quality goods or services at reasonable prices. The Competition in Contracting Act, a statute that mandates maximum full and open competition, is discussed in more detail later.

(2) Contracts are awarded only to contractors found to be responsible. To be determined responsible, a prospective contractor must:

(a) Have adequate financial resources to perform the contract, or the ability to obtain them (see FAR 9.104-3(a));

(b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;

(c) Have a satisfactory performance record (see FAR 9.104-3(b) and Subpart 42.15). A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history, except as provided in FAR 9.104-2;

(d) Have a satisfactory record of integrity and business ethics.

(e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors). (See FAR 9.104-3(a))

(f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them (see 9.104-3(a)); and

(g) Be otherwise qualified and eligible to receive an award under applicable laws and

PART I
Chapter 1
ACQUISITION PLANNING

Excerpted from FAR Part 7

1. ADVANCE ACQUISITION PLANNING

Definitions.

a. "Acquisition Planning" means the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes:

(1) Developing acquisition plans;

(2) Determining whether to use commercial or Government resources for acquisition of supplies or services;

(3) Deciding whether it is more economical to lease equipment rather than purchase it; and

(4) Determining whether functions are inherently governmental.

b. "Acquisition Streamlining" means any effort that results in more efficient and effective use of resources to design and develop, or produce quality systems. This includes ensuring that only necessary and cost-effective requirements are included, at the most appropriate time in the acquisition cycle, in solicitations and resulting contracts for the design, development, and production of new systems, or for modifications to existing systems that involve redesign of systems or subsystems.

c. "Life-cycle Cost" means the total cost to the Government of acquiring, operating, supporting, and (if applicable) disposing of the items being acquired.

d. "Order" means an order placed under a-

(1) Federal Supply Schedule contract; or

(2) Task-order contract or delivery-order contract awarded by another agency, (*i.e.*, Government-wide acquisition contract or multi-agency contract).

e. "Planner" means the designated person or office responsible for developing and maintaining a written plan, or for the planning function in those acquisitions not requiring a written plan.

2. Policy.

(a) Agencies shall perform acquisition planning and conduct market research (see Part 10) for all

(b) This planning shall integrate the efforts of all personnel responsible for significant aspects of the acquisition. The purpose of this planning is to ensure that the Government meets its needs in the most effective, economical, and timely manner.

Agencies that have a detailed acquisition planning system in place that generally meets the requirements of FAR 7.104 and 7.105 need not revise their system to specifically meet all of these requirements.

3. Agency-head Responsibilities**.**

The agency head or a designee shall prescribe procedures for-

a. Promoting and providing for full and open competition (see Part 6) or, when full and open competition is not required in accordance with Part 6, for obtaining competition to the maximum extent practicable, with due regard to the nature of the supplies and services to be acquired *(10 U.S.C. 2301(a)(5)* and *41 U.S.C. 253a(a)(1)).*

b. Encouraging offerors to supply commercial items, or to the extent that commercial items suitable to meet the agency needs are not available, nondevelopmental items in response to agency solicitations *(10 U.S.C. 2377* and *41 U.S.C. 251, et seq.);* and

c. Ensuring that acquisition planners address the requirement to specify needs, develop specifications, and to solicit offers in such a manner to promote and provide for full and open competition with due regard to the nature of the supplies and services to be acquired *(10 U.S.C. 2305(a)(1)(A)* and *41 U.S.C. 253a(a)(1)). (See Part 6 and 10.002.)*

d. Establishing criteria and thresholds at which increasingly greater detail and formality in the planning process is required as the acquisition becomes more complex and costly, specifying those cases in which a written plan shall be prepared.

e. Writing plans either on a systems basis, on an individual contract basis, or on an individual order basis, depending upon the acquisition.

f. Ensuring that the principles of this subpart are used, as appropriate, for those acquisitions that do not require a written plan as well as for those that do.

g. Designating planners for acquisitions.

h. Reviewing and approving acquisition plans and revisions to

m. Ensuring that agency planners include use of the metric system of measurement in proposed acquisitions in accordance with *15 U.S.C. 205b (see 11.002(b))* and agency metric plans and guidelines.

n. Ensuring that agency planners-

(1) Specify needs for printing and writing paper consistent with the minimum content standards specified in section of *505 of Executive Order 13101 September 14, 1998*, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition *(see 11.303);* and

(2) Comply with the policy in *11.002(d)* regarding procurement of products containing recovered materials, and environmentally preferable and energy-efficient products and services.

o. Ensuring that acquisition planners specify needs and develop plans, drawings, work statements, specifications, or other product descriptions that address Electronic and Information Technology Accessibility Standards *(see 36 CFR part 1194)* in proposed acquisitions *(see 11.002(e))* and that these standards are included in requirements planning, as appropriate *(see Subpart 39.2).*

p. Making a determination, prior to issuance of a solicitation for advisory and assistance services involving the analysis and evaluation of proposals submitted in response to a solicitation, that a sufficient number of covered personnel with the training and capability to perform an evaluation and analysis of proposals submitted in response to a solicitation are not readily available within the agency or from another Federal agency in accordance with the guidelines at *37.204*.

q. Ensuring that no purchase request is initiated or contract entered into that would result in the performance of an inherently governmental function by a contractor and that all contracts or orders are adequately managed so as to ensure effective official control over contract or order performance.

r. Ensuring that knowl m prior acquisitions is used to further refine requirements and acquisition strategies greater use of performance-based hods and, therefore, fixed-price contracts *(see 37.602-5)* should occur for follow-on acquisitions.

4. General Procedures.

a. Acquisition planning should begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which contract award or order placement is necessary. In developing the plan, the planner shall form a team consisting of all those who will be responsible for significant aspects of the acquisition, such as contracting, fiscal, legal, and technical personnel. The planner should review previous plans for similar acquisitions and discuss them with the key personnel involved in those acquisitions. At key dates specified in the plan or whenever significant changes occur, and no less often than annually, the planner shall review the plan and, if appropriate, revise it.

b. Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition and increases prices. Early in the planning process, the planner should consult with requirements and logistics personnel who determine type, quality, quantity, and delivery requirements.

c. The planner shall coordinate with and secure the concurrence of the contracting officer in all acquisition planning. If the plan proposes using other than full and open competition when awarding a contract, the plan shall also be coordinated with the cognizant competition advocate.

5. Contents of Written Acquisition Plans.

In order to facilitate attainment of the acquisition objectives, the plan must identify those milestones at which decisions should be made (see paragraph (b)(18) of this section). The plan must address all the technical, business, management, and other significant considerations that will control the acquisition. The specific content of plans will vary, depending on the nature, circumstances, and stage of the acquisition. In preparing the plan, the planner must follow the applicable instructions in paragraphs (a) and (b) of this section, together with the agency's implementing procedures. Acquisition plans for service contracts or orders must describe the strategies for implementing performance-based contracting methods or must provide rationale for not using those methods (see Subpart 37.6).

a. Acquisition Background and Objectives-

(a) Life-cycle Cost

Discuss how life-cycle cost will be considered. If it is not used, explain why. If appropriate, discuss the cost model used to develop life-cycle-cost estimates.

(b) Design-to-cost

Describe the design-to-cost objective(s) and underlying assumptions, including the rationale for quantity, learning-curve, and economic adjustment factors. Describe how objectives are to be applied, tracked, and enforced. Indicate specific related solicitation and contractual requirements to be imposed.

(c) Application of Should-cost

Describe the application of should-cost analysis to the acquisition (see 15.407-4).

(4) Capability or Performance

Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.

(5) Delivery or Performance-period Requirements

Describe the basis for establishing delivery or performance-period requirements (see Subpart 11.4). Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.

(6) Trade-offs

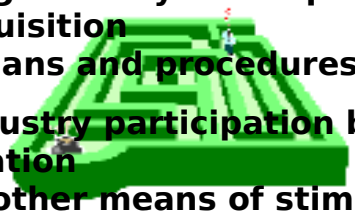
Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.

(7) Risks

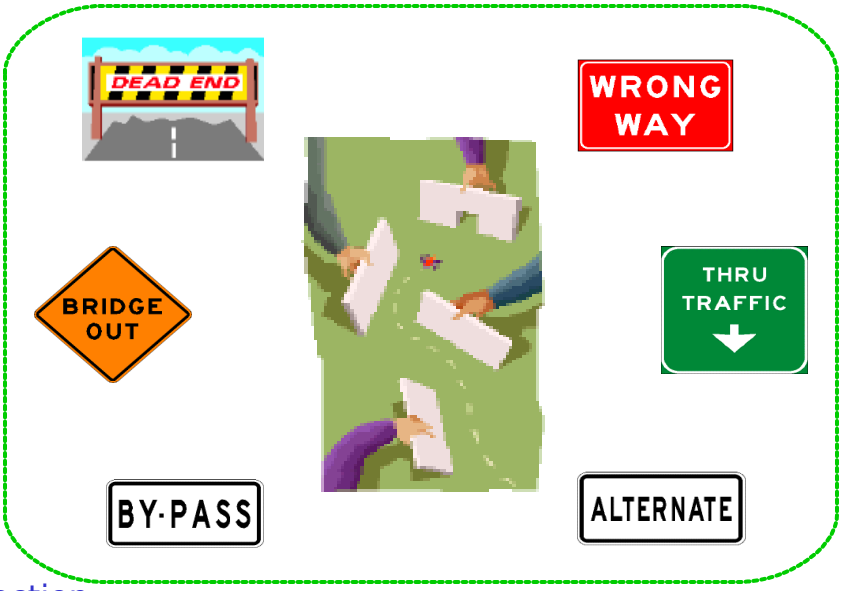
Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks.

(8) Acquisition Streamlining

If specifically designated by the requiring agency as a program subject to acquisition streamlining, discuss plans and procedures to-



(a) Encourage industry participation by using draft solicitations, presolicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate



6. Plan of action-

(1) Sources

Indicate the prospective sources of supplies or services that can meet the need. Consider required sources of supplies or services (see Part 8). Include consideration of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns (see Part 19), and the impact of any bundling that might affect their participation in the acquisition (see 7.107) (15 U.S.C. 644(e)). Address the extent and results of the market research and indicate their impact on the various elements of the plan (see Part 10).

(2) Competition

(a) Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition. If full and open competition is not contemplated, cite the authority in 6.302, discuss the basis for the application of that authority, identify the source(s), and discuss why full and open competition cannot be obtained.

(b) Identify the major components or subsystems. Discuss component breakout plans relative to these major components or subsystems. Describe how competition will be sought, promoted, and sustained for these components or subsystems.

(c) Describe how competition will be sought, promoted, and sustained for spares and repair parts. Identify the key logistic milestones, such as technical data delivery schedules and acquisition method coding conferences, that affect competition.

(d) When effective subcontract competition is both feasible and desirable, describe how such

(4) Acquisition Considerations

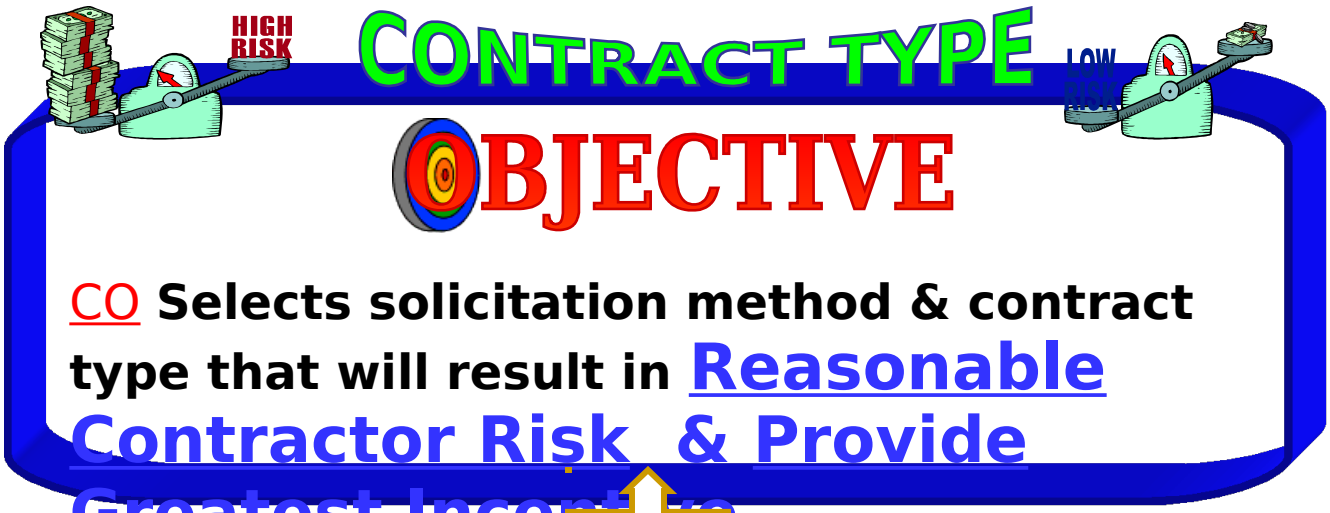

HIGH RISK
CONTRACT TYPE
LOW RISK
OBJECTIVE
CO Selects solicitation method & contract type that will result in Reasonable Contractor Risk & Provide Greatest Incentive for high quality, efficient & economical performance

FIGURE 3

(a) For each contract contemplated, discuss contract type selection, use of multiyear contracting, options, or other special contracting methods; any special clauses, special solicitation provisions, or FAR deviations required; whether sealed bidding or negotiation will be used and why; whether equipment will be acquired by lease or purchase and why; and any other contracting considerations.

(b) For each order contemplated, discuss-

(i) For information technology acquisitions, how the capital planning and investment control requirements of 40 U.S.C. 1422 and OMB Circular A-130 will be met (see 7.103(t) and Part 39); and

(ii) Why this action benefits the Government, such as when-

(A) The agency can accomplish its mission more efficiently and effectively (*e.g.*, take advantage of the servicing agency's specialized expertise; or gain access to contractors with [illegible]

(B) Ordering through an indefinite delivery contract facilitates access to small business concerns, including small disadvantaged business concerns, women-owned small business concerns, HUBZone small business concerns, veteran-owned small business concerns, or service-disabled veteran-owned small business concerns.

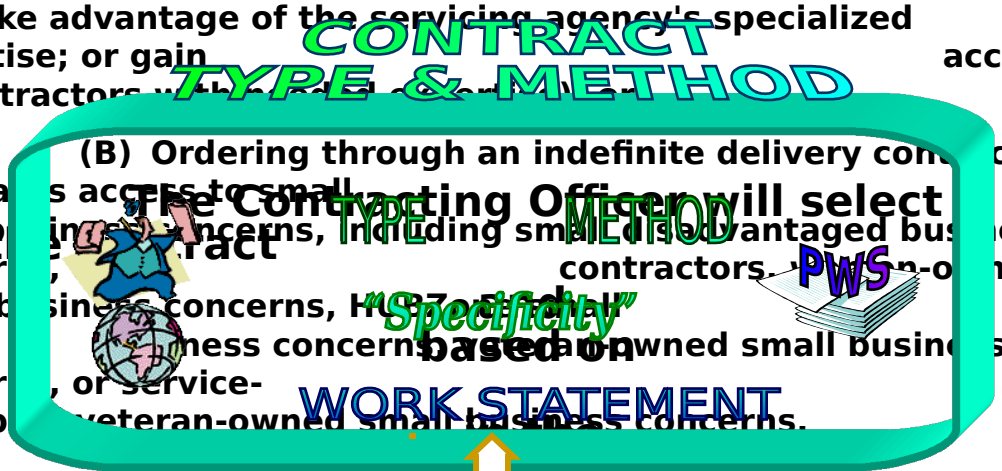

CONTRACT TYPE & METHOD
The Contracting Officer will select the Contract TYPE & METHOD based on
"Specificity"
PWS
WORK STATEMENT

FIGURE 4